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C O N F I D E N T I A L SECTION 01 OF 02 TAIPEI 003007

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STATE PASS AIT/W

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TAGS: [PGOV](#) [TW](#)

SUBJECT: KMT MACHINE VS. GRASS-ROOTS: MA LIKELY WINNER

REF: A. TAIPEI 632

- [1](#)B. TAIPEI 997
- [1](#)C. TAIPEI 1183
- [1](#)D. TAIPEI 2076
- [1](#)E. TAIPEI 2689

Classified By: AIT Acting Director, David J. Keegan, Reason(s): 1.4 (B/D).

[1](#)1. (C) Summary: The July 16 Chairmanship election marks the first time in the KMT's 110-year history that its highest position will be put to a popular vote. This election also marks the first time that a former KMT Chairman, Lien Chan, could remain active in the party, albeit behind the scenes. Lien has tacitly backed Legislative Yuan (LY) Speaker Wang Jin-pyng throughout the election. Nevertheless, Taipei Mayor Ma Ying-jeou is widely presumed to have a substantial lead, although he has expressed concerns about attempts by Wang supporters to stuff the ballot boxes in some areas. However, even if Ma does succeed to the Chairmanship, his ability to change the tenor of Taiwan's political discourse will be limited by Lien's control over party finances and Wang's control of the KMT's LY caucus. We will consider this issue further septel. End Summary.

Contrasts Define the Candidates -----

[1](#)2. (C) Wang is the Legislative Speaker of the Pan-blue dominated Legislative Yuan, and a vice-chair of the party. The Taiwan-born Wang is the quintessential KMT insider, and after decades of working within the party, he has an extensive, vertically-integrated network of loyal party contacts, and access to the KMT's vote-getting machinery. Because Wang is close to Lien, many KMT voters believe he is steeped in KMT corruption, and therefore he has no desire to push the KMT toward needed reforms. On the other hand, Wang's association with Lien puts the KMT's extensive financial resources at his disposal, which Wang has used to fund an aggressively negative campaign against Ma. When it comes to the "ethnicity" card, the Taiwan-born Wang has little chance of attracting the Mainlander vote, but can appeal to certain voters' desire to see the KMT become more "Taiwanese."

[1](#)3. (C) Though he is currently mayor of Taipei, and also serves as a KMT vice-chair, Ma is trying to run an outsider's campaign from within the KMT. The younger, more telegenic Ma has carefully cultivated a squeaky-clean image, which makes him popular among a broad swath of KMT supporters, especially among women and younger people. Ma's anti-corruption/party reform platform, while effectively convincing many voters that Lien, Wang and his allies are old-fashioned and corrupt, has at the same time alienated Ma from KMT leaders, organizational resources, and financial support. The Ma campaign professes to be perpetually short of cash. Born in Hong Kong, Ma is the natural candidate for the Huang Fu Hsing (HFH) vote: a 180,000-strong corps of retired KMT military personnel and their families, most of whom are mainland-born, stalwart anti-independence voters. Fully one-fifth of the total number of KMT voters, with a typically higher-than-average turnout rate, HFH support is the sine qua non of any Ma victory. (Note: In June, in an attempt to use Ma's mainlander status against him, Wang proposed segregating HFH voting booths from the rest of KMT voters, and counting HFH votes separately. The proposal was rejected by the KMT election committee. End note.) According to internal KMT polls, 80 to 90 percent of HFH voters are expected to vote for Ma, along with 60 percent of rank-and-file voters.

Wang Supporters: Victory Before Reform -----

[1](#)4. (C) Veteran KMT lawmaker and Wang supporter Hung Yu-chin said that many within the KMT, including himself, feel that since Ma has always been able to count on the HFH base, he has been able to survive politically without cultivating relationships with other important KMT constituencies. Hung, who hails from southern Tainan County, said Ma has not formulated a Taiwan-wide agenda, and has no political network to speak of outside Taipei and its vicinity. Hung predicts

that should Ma win, his efforts at reform will be frustrated by a lack of cooperation from constituencies that resent being neglected. Hung believes Ma's narrow political base and lack of senior leadership support will also prevent him from unifying the party in time for the 2008 presidential election, and will weaken him as a presidential candidate.

15. (C) Hung says Wang Jin-pyng is Ma's opposite: a well-connected KMT insider who commands the cooperation and loyalty of the KMT leadership. Hung said that while the KMT rank-and-file will likely vote 60-40 in favor of Ma, the KMT elite favor Wang 80-20. Hung said he and other Wang supporters believe the party is weak, having lost two presidential elections in a row; only Wang is capable of providing the strong leadership required to focus the party on winning the 2008 presidential election. Wang has said publicly that if the KMT does not win in 2008, it could be the "end of the KMT." Hung said Ma has his priorities reversed -- only when the KMT is in a position of strength, i.e., back in power, should it turn its attention to questions of reform.

Ma Supporters: No Victory Without Reform

16. (C) KMT legislator and Ma supporter Lai Shi-bao said KMT polling shows that although a majority of KMT legislators support Wang, local KMT officials and rank-and-file KMT voters favor Ma, by eight to ten point margins, with 20-22 percent of voters still undecided. This tracks closely with almost all informed observers we have spoken to. Whatever their political persuasion, they expect Ma to garner something over sixty percent of the vote.

17. (C) Soochow University political science professor and TVBS political commentator Emile Sheng told AIT that the Ma campaign is not as poor as it would like the KMT electorate to believe, and that corporate donors, expecting a Ma win, are already lining up to provide financial backing. Sheng cited the recent controversy over installing video cameras in each KMT polling place, to deter and detect voting misconduct. The KMT said it did not have money to fund this security measure. Overnight, Ma found an anonymous donor willing to provide the necessary \$6 million NT. Sheng said that Ma understands that it would be unseemly for the reform candidate to be "loaded with cash," and has therefore kept a low financial profile. As for Wang, Sheng told AIT that his confidential sources within the Wang campaign confirm that

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Wang is in fact engaged in vote-buying and other illicit "mobilization" schemes.

18. (C) Lai said that there has been little open debate amongst KMT members, but the consensus within the party is that, as a display of the party's increasing democratization, the Chairmanship campaign has been good for the party. Lai said the KMT has been losing younger voters to the seemingly more youthful DPP, and must reverse that trend to assure its long-term survival. The sense among Ma supporters is that it is time to do away with "old people" politics. This criticism of Wang notwithstanding, Lai told AIT that Ma has been careful not to attack Wang too harshly because Ma recognizes that Wang's cooperation will be essential to KMT hopes of taking back the presidency in 2008. Lai said Ma's camp had already broached with Wang the idea of a 2008 Ma-Wang ticket, and that Wang demurred, contending that he would win the Chairmanship, not Ma. Lai insisted that both sides understand that campaign attacks are part of the game, and that after the election is over hard feelings will be put aside to rally the party toward the common goal of unseating the DPP.

19. (C) Lai said the determining factor in this election will be voter turnout: if the turnout is large, at or above 50 percent of total eligible KMT voters, the large degree of rank-and-file participation will swing the election to Ma. If voter turnout is small, at or below 30 percent, Wang's voter mobilization advantage will likely decide the race in his favor. Voting will take place on Saturday, July 16, from 8:30 a.m. to 4:00 p.m., with the result likely to be determined by 8:00 p.m. that evening.

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